

Assembly Joint Resolution No. 7

RESOLUTION CHAPTER 35

Assembly Joint Resolution No. 7—Relative to public social services.

[Filed with Secretary of State May 20, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 7, Bonta. Social security, Medicare, and Medicaid.

This measure would request the President and the United States Congress to exclude social security, Medicare, and Medicaid from being a part of any legislation to reduce the federal deficit. This measure would express the Legislature's opposition to cuts to social security, Medicare, and Medicaid, and call on California's representatives to the United States Congress to vote against cuts to social security, Medicare, and Medicaid and to consider improving those systems in ways that would strengthen their protections.

WHEREAS, Social security and Medicare are the foundations of income and health security for older Californians and those with severe work disabilities, providing monthly cash benefits and health insurance to over 5 million Californians, including 3.4 million retirees and nearly 700,000 disabled workers; and

WHEREAS, Social security is the single most important source of life insurance protection for California's children and provides a vital guaranteed income to 370,000 children throughout the state; and

WHEREAS, Social security prevents more than 1.1 million Californians from living in poverty; and

WHEREAS, Social security provides benefits to more than 9 million veterans nationwide, which is roughly four out of 10 veterans; and

WHEREAS, Social security annually contributes nearly \$67 billion dollars to California's economy by paying benefits to over 5.1 million residents in the state; and

WHEREAS, Social security's funding is independent of that of the rest of the federal government, and has never contributed to, and by law can never contribute to, the federal deficit; and

WHEREAS, Social security in fact has a surplus of \$2.7 trillion dollars today that is expected to grow to \$3.1 trillion dollars by 2020; and

WHEREAS, Social security is not in crisis and has sufficient resources to meet all of its obligations through 2032 and has dedicated revenues that would — even in the absence of Congressional reforms — meet three-quarters of promised benefits thereafter; and

WHEREAS, Social security's funding shortfall after 2032 is modest: about one-half of the cost of the Bush tax cuts of 2001 and 2003; and

WHEREAS, There are many policy options available to close social security's funding shortfall without cutting benefits, including eliminating the cap on earnings subject to the payroll tax, which would eliminate about 80 percent of the 75-year shortfall, or raising the payroll tax rate from 6.2 to 7.2 percent gradually over 20 years, which would eliminate one-half of the shortfall; and

WHEREAS, Americans prefer raising payroll taxes to cutting social security benefits by a margin of 53 percent to 36 percent; and

WHEREAS, Social security's modest but vital benefits, averaging just \$12,930 per year in California, are critical to the economic security of those who receive those benefits; and

WHEREAS, Losses of pensions, 401(k) balances, home equity, and earnings have greatly diminished the retirement income prospects of Californians; and

WHEREAS, The social security benefit cuts imposed in 1983 will, when fully phased in, cut benefits by roughly 25 percent; and

WHEREAS, Forty-seven percent of elderly Californians are struggling just to make ends meet and more than one-half of working Californians will not have saved enough to be able to maintain their standard of living in retirement; and

WHEREAS, Proposals to increase the social security retirement age to 69 would cut benefits by an additional 13 percent on top of the 13 percent cut that occurred when the retirement age increased from 65 to 67; and

WHEREAS, The physical demands of a job differ from industry to industry and, on average, the longevity of the lives of individuals differ significantly according to their level of income, education, race, and access to health care; and

WHEREAS, Social security belongs to the people who have worked hard all their lives and contributed to the program, and it is based on a promise that if you pay in, you and your family can collect your money when you retire, experience a severe disability, or die; and

WHEREAS, Medicare insures almost 4 million California seniors for health care at a fraction of the administrative costs of private plans; and

WHEREAS, Medicare has controlled its costs better than private insurance plans; and

WHEREAS, Although increasing the eligibility age for Medicare would save the federal government some money, it would add billions of dollars to what we as a country spend on health care and shift costs onto other governmental entities, businesses, and many individuals who cannot afford those costs; and

WHEREAS, Medicaid is a critical source of protection for over 11 million low-income children, adults, and elderly Californians, many of whom have severe disabilities or are in need of long-term care; and

WHEREAS, Our social security, Medicare, and Medicaid systems are fundamental to protecting against risks to which all Californians are subject; and

WHEREAS, Our social security, Medicare, and Medicaid systems give expression to widely held values, including caring for our families, our neighbors, and ourselves, personal responsibility, hard work, and dignity; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the California State Legislature urges the President and the Congress of the United States to exclude social security, Medicare, and Medicaid from being a part of any legislation to reduce the federal deficit; and be it further

Resolved, That the California State Legislature opposes cuts to social security, Medicare and Medicaid, and calls on our state's representatives in Washington, D.C. to vote against any cuts and consider improving those systems in ways that will strengthen their protections; and be it further.

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.